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C O N F I D E N T I A L SECTION 01 OF 03 PRETORIA 000392

SIPDIS

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TAGS: PREL PGOV SF

SUBJECT: PRETORIA INTERVIEW WITH UN/OIOS CANDIDATE S.A.FAKIE

REF: A. STATE 16709
1B. PRETORIA 385
1C. STATE 16301
1D. 09 PRETORIA 2385
1E. 09 STATE 117720

Classified By: Dep. POL Counselor M.Seidenstricker for reasons 1.4 (b)
and (d)

Summary

11. (C) Mr. Shauket Allie Fakie, potential UK nominee for the position of head of the U.N. Office of Internal Oversight Services (OIOS), said he was interested in the OIOS role and could work to arrange his availability to fill it. His responses to Department interview questions (ref A) follow. Because of Mr. Fakie's heavy meeting schedule, and the short turnaround of the action request, the interview was conducted by telephone. (Note: because ref A requested post to interview a U.K. nominee, poloff cleared the interview with the U.K. political section in Pretoria, which was unaware of the OIOS selection process.) Please see ref D for post's background research on Fakie. This is the first of ref A's two requested interviews. End Summary.

Interview Q & A

12. (C) Q: Are you interested in this job?

A: Yes, I am interested. I am very familiar with the unit, from my past work with the U.N. When it came vacant five years ago, I believe I was shortlisted by the USA, but I was still Auditor General (AG) in South Africa, which I was unprepared to break. The timing is better this time.

13. (C) Q: Are you available to serve a five-year, nonrenewable term beginning in July 2010?

A: On availability, I think that is something we can negotiate. I am currently working as an executive at MTN (mobile phone company), where I made a commitment of one to two years, starting a year ago -- so I have fulfilled that and could probably depart, as long as we found a timing that was not disruptive here.

14. (C) Q: What is your management philosophy?

A: I have about five core principles to my philosophy.

- First is integrity. That is first and foremost.
- Second is a culture of pride in service delivery, in the value that we add in our services. In an AG role there is lots of focus on compliance, on ticking the boxes. My goal is to not just conduct an audit, but to go beyond the binary questions of yes and no, to add value.
- Third is inclusiveness, an open-door policy. I have always tried to be not autocratic, but democratic. (Of course, at the end of the day I will take a stand when required.) The U.N. also has a culture of inclusiveness and compromise. There are times when you simply must get things done, though, and then you must be the authority, if there is no time to consult.
- Fourth, I lead by example. I don't tell, but rather I demonstrate. "Walk the talk," if you will.

- The fifth is teamwork, and being a team player.

- (Q: how have you found corporate work versus government service?) There are more parallels between government and the U.N. -- similar ethics and culture. Corporate is very different, with a very different set of KPIs (key performance indicators), oriented around bottom-line results. In the government sector there is greater balance, with more attention to services and value add.

15. (C) Q: Have you ever been confronted with a challenge to your independence, and how did you manage to maintain your

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independence in the face of pressure?

A: Whether as AG or external auditor, independence is core, it is sacrosanct to the profession and the audit function. As an external auditor, the lines between auditor and client are very distinct. Within the government, it is a fine line, because you are internal to the organization you are auditing. People look to you for guidance. The pressure always arises, even in a corporate environment where performance bonuses depend on your assessments. In the U.N. as well, there are country interests, and responses can be political on reviews. I have taken a firm position, which is that reports must be factually correct -- meeting standards and quality control procedures. People may criticize your judgments, but then you have the facts before you to protect you. I am always willing to revisit those facts. I have been challenged on my conclusions, but this has been my defense. In South Africa, the AG is well protected, with its independence enshrined in the Constitution. An AG must be professional, adhering to established standards -- but also practical, not blinded by his independence, and open to debate.

On your request for an example: the highlight, and lowlight, of my term as AG was that I led an investigation of the arms deal. (See ref D.) The original report of 300 pages tabled in Parliament was written by me personally, and of course there was lots of political and personal and financial interest around it. I was criticized from both ends -- from those who found it too tough, others not tough enough. The process was very thorough, though, and I stand by the report.

On the audit side, as well, I have been criticized by many departments of government. Officials have tried to persuade me that they can't fulfill tasks because of constraints they're under (such as lack of computers). My response is that they must give their excuses to Parliament; my role is simply to document the outcomes I observe.

In a U.N. context, one is always aware that one is doing this work based on the trust and confidence of member states. They expect that your work will be fact-based, ethical, and professional. When the President summoned me for the AG

appointment, I told him directly that I would be objective, and that if he expected anything else I would just go, without taking the job. A single term, nonrenewable, is the best way, since AGs often soften at the end of their first terms if it is otherwise. If I have respect within the U.N., it is because I am approachable, but firm on standards and decisions. One takes off one's national hat of South Africa to serve 180 countries. I told my staff that we would give no preferential access to any country, and even South Africa must take any issues to the UNGA like everyone else.

(Q: How do member states try to pressure the OIOS?) For its own credibility a country won't object openly. It will do so more subtly, by exerting influence on the Secretariat. I have had differences between Audit and Secretariat on the crafting of reports. Indeed, any U.N. work is often a reflection of the effectiveness of the Secretariat. We don't audit policy, only its implementation -- but often the Secretariat is used to further an agenda. I was part of an effort that produced an evaluation of the OIOS, that was quite critical. Other countries have different views of its role, and they may bring a political agenda vis-a-vis U.N. reform.

¶6. (C) Q: What do you consider to be your most significant professional accomplishment?

A: I've been a chartered accountant in South Africa and Australia, working in the private sector before government -- so I have seen both ends. I was a partner in an Australian auditing firm, and then here in South Africa was due to become a partner when I accepted the Deputy AG role, leading to AG. I went into government shortly after 1994, because I wanted to play a role in the newly democratic South Africa, a role in the new government's accountability. Later I was External Auditor to the U.N. and to the WHO and UNIDO.

(Q: Which of these achievements gives you the most personal satisfaction?) The first would be the AG position. Having grown up under apartheid, this was the last thing I thought I could do when I was growing up as a non-European. This was a chance to make a contribution to a new democracy, and to make a difference in my country. Second would be the External Auditor to the U.N., competing in the international arena on

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behalf of a country that was previously isolated. I was surprised to learn that despite that long isolation, South Africa's audit profession was still highly respected. (Q: like the cricket and rugby teams?) Yes, precisely. When we won the proposal for South Africa to be External Auditor, I used exactly that analogy in my public speeches.

¶7. (C) Q: What challenges will the next head of OIOS face, and what is your vision for the office?

A: Formerly there was an issue of the OIOS credibility, and its reporting lines. (The U.S. delegation sought my advice on this, which I shared with them.) When the current incumbent came on, she needed to bring back that credibility. The OIOS is a governance institution, but its credibility cannot be based on that fact alone, rather it must be grounded in the quality of its people, in their reliable work. That's one point.

Second, the U.N. is itself deliberating over reform to be more relevant. Equally the OIOS needs to align itself to the U.N. reform process. (Note: here poloff misunderstood Fakie's reform reference, and asked a question about U.N. balance of power, whether he saw real prospects for change in that regard. End Note.) That aspect is a political debate and a policy matter, which I must stay away from as a professional. The UNGA needs to make such a decision. I was

speaking of reform and alignment around member states' contributions, and the desire of their taxpayers that money be spent effectively. That effectiveness is much more within the realm of the OIOS. There never was a mechanism to determine program effectiveness until the initial reforms (in the early 2000s). There is a big drive on program evaluation and monitoring. Before, there was only information on spending, i.e. the inputs but not the outputs.

There is also reform around peacekeeping -- how quickly and effectively peacekeepers can be deployed. South Africa conducted peacekeeping audits. What checks and balances are in place? There is lots of waste and fraud. There are particular problems around decommissioning, when equipment goes missing and so forth.

That reminds me: you asked earlier about an instance of controversy. The audit over the Oil for Food program is a good example. That review was extremely sensitive politically. This was in Iraq, so you can imagine the U.S. had a particular interest and wanted a particular outcome.

(Q: your vision? What kind of OIOS would you like to leave?) I'd like to be seen as someone who built a credible OIOS. It comes back to the individual in the end, who can build a team, who leaves a legacy of staff who are well trained, motivated, and principled, staff who remain behind even after you've gone. As we said before, I'd want to continue to add value, rather than doing the bare minimum, because a better OIOS has an impact on improving the U.N. overall.

GIPS